

UTAH Water Quality Project Assistance Program

FY2003 INTENDED USE PLAN

I. INTRODUCTION

The State has agreed to prepare a plan, the Intended Use Plan (IUP), identifying the intended uses of the funds in the SRF during FY2003 and how those uses support the goals of the SRF as required under Section 606(c) of the Clean Water Act. The primary purpose of the IUP is to identify proposed annual intended use of the amounts available to the SRF and the Rural Community Hardship Grant Program. However, the IUP has been expanded to also include the Utah Wastewater Loan Program.

The secondary purpose of the IUP, established by Section 601(b) of the Act, is to facilitate the negotiation process for the capitalization grant agreement and schedule of grant payments. Therefore, the IUP will be subject to public comment and review and will include the following information:

1. List of Projects
2. Long and Short Term Goals
3. Information on SRF Activities to be Supported
4. Assurances and Specific Proposals
5. Criteria and Method for Distribution of Funds
6. Proposed Schedule of Grant Payments

II. LIST OF PROJECTS

The State is considering the following list of eligible projects for receiving revolving funds during FY2003 from State Revolving Funds:

Potential State Revolving Fund Projects

Municipal Wastewater Construction Projects:

<u>Name of Community</u>	<u>Project Type</u>	<u>Estimated Amount</u>
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Loans Closed - Funds Remaining to be Disbursed:

Nibley City	New interceptor & collection system	2,054,000
Payson City	Upgrade & expansion of treatment facility	1,979,000

Loans Authorized - Unclosed

Parowan City	Upgrade & expansion of treatment	2,058,000
Fairview City	New treatment, collection & interceptor	1,716,000
Mountain Green ID	Upgrade & expansion of treatment facility	1,055,000
Bear Lake South Shore	New collection, interceptor & treatment	2,230,000
Daggett County	Upgrade & expansion of treatment	323,000
Monroe City	New interceptor & collection system	1,950,000
South Sevier SSD	New interceptor & collection system	2,920,000
Oakley City	Upgrade & expansion of treatment	400,000
South Salt Lake City	Central Valley WRF expansion	1,200,000

Planned - Unauthorized Projects

Hooper City	New interceptor & collection system	13,000,000
Weber County	Collection system	140,000
St George City	Expansion & pretreatment	6,500,000
North Fork SSD	New Treatment Facility	1,500,000
Wolf Creek SSD	New Treatment Facility	1,500,000
Orem City	Treatment Upgrade & Expansion	5,000,000
Hyrum City	Treatment Upgrade & Expansion	6,000,000
Elk Meadows SSD	New Treatment Facility	1,500,000
Moroni City	Treatment upgrade & expansion	1,200,000
Total Municipal WWT projects		<u>\$ 54,225,000</u>

Non Point Source Projects:

Reserve for projects yet to be identified	<u>\$ 1,000,000</u>
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Underground Wastewater Disposal System Projects:

Reserve for projects yet to be identified	<u>\$ 300,000</u>
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TOTAL	<u>\$ 55,525,000</u>
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This data is a projection of funding for each project listed. A determination of the project, loan amounts, and financing terms will be made through an authorization by the Utah Water Quality Board. An amount equal to four percent of the SRF Capitalization Grant funds will be used for program administration. Projects will be funded from the FY2001 and FY2002 Capitalization Grants, additional Capitalization Grants if they are awarded, as well as SRF loan repayments and a match of state funds. Projects may also be funded from the Utah Wastewater Loan Program and later removed from the State Revolving Fund projects list.

Four disadvantaged communities (Nibley City, Fairview City, Monroe City & South Sevier SSD) are expecting to receive funding, or a portion of its funding, from the SRF with a repayment period not to exceed the design life of the underlying asset or 30 years, whichever is less. The financial assistance agreements are described in detail in Tables 1 & 2. The State currently estimates that the long-term revolving level of the SRF will be decreased by 0.42% due to these extended financing agreements, when projected out 30 years.

In the event that the above projects do not proceed, the FY2003 Intended Use Plan is extended to include the entire FY2003 Wastewater Treatment Project Priority List as potential SRF projects. Projects will be considered by priority and by their readiness to proceed.

POTENTIAL RURAL COMMUNITY HARDSHIP GRANT PROJECTS

<u>Name of Community</u>	<u>Project Type</u>	<u>Estimated Amount</u>
Fairview City	New interceptor, Collection & Treatment Facility	<u>\$ 305,000</u>

The Fairview City project is the only project being considered for the Rural Community Hardship Grant in the Intended Use Plan because it is the only project which qualifies. The State is considering the following list of eligible projects to receive funding during FY2003 from Utah Wastewater Loan Program Funds:

POTENTIAL UTAH WASTEWATER LOAN PROGRAM PROJECTS

<u>Name of Community</u>	<u>Project Type</u>	<u>Estimated Amount</u>
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No Municipal Wastewater Loan Projects have been projected for funding with this plan. Because sales tax receipts for FY2003 were reduced by the Legislature by \$2,500,000, it is anticipated that all available funds will be used for State Match to the SRF Capitalization Grants.

Storm Water Projects:

Projects yet to be identified	\$ 500,000
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See Appendix 1 for detailed information concerning projects.

III. LONG AND SHORT TERM GOALS

Long-Term - The State has the following long-term goals for its funding programs:

Goal #1 - To provide a permanent source of funding which can be used in combination with financing from a community's own resources and other funding sources to assist in financing needed wastewater facilities construction and water quality projects.

Goal #2 - To evaluate and prioritize water quality needs within the state to allow funds to be distributed in a priority manner to the most environmentally needy projects.

Goal #3 -To offer state financial assistance which provides sufficient and affordable funding for project construction and which also allows the State to maximize the best use of its funds.

In assisting communities to address their needs for adequate wastewater facilities, the Water Quality Board recognizes that such facilities must be sized for future growth. However, in helping communities provide wastewater infrastructure for existing and future users the Board should be satisfied that proper and adequate planning has taken place so that environmental and quality of life problems associated with sprawl are not fostered by the projects it funds.

Short-term - The State has the following short-term goals for the SRF Program:

Goal #1 - To assist prospective funding recipients during facility planning and preparation of their project funding applications and authorize funding for these projects.

Goal #2 - To assist in the construction completion of projects funded with previous years' assistance.

IV. INFORMATION ON THE SRF ACTIVITIES TO BE SUPPORTED

Pertinent information on the types of activities anticipated to be supported by the SRF during FY2003 is detailed in Appendix 1. As identified in the Capitalization Grant application, the State intends to use an amount equal to 4% of the federal capitalization grants for administrative support.

Recipients of SRF loans may be charged a hardship grant assessment, as determined by the Water Quality Board. The hardship grant assessment will be placed into the Hardship Grant Fund outside of the SRF and used as follows:

1. Hardship grant assessments derived from loans made from funds directly made available from EPA Capitalization Grants may only be used for purposes identified in 40 CFR Part 31.25.
2. Hardship grant assessments derived from loans made from funds “ not directly made available” from EPA Capitalization Grants may be used to provide grants for communities whose projects would not be economically feasible unless grant assistance was provided.

V. ASSURANCES AND SPECIFIC PROPOSALS

The State has assured compliance with the following sections of the law in the State/EPA Operating Agreement, Section XVI, Scope and Roles. In addition, the State has developed specific rules on implementation of those assurances in the Utah Administrative Code, R-317-102, Utah Wastewater State Revolving Fund (SRF) Program.

Section 602(a)-Environmental Reviews

Section 602(b)(3)-Certify binding commitments within one year*

Section 602(b)(4)-Certify expeditious and timely expenditures

Section 602(b)(5)-First use for enforceable requirements

*Binding commitments are defined as the date of loan closing.

State Matching funds equaling at least 20% of the SRF Capitalization Grants received are available from repayments of Utah Wastewater Loans. These funds are available or will be available when needed in the Utah Wastewater Loan Program Fund.

VI. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

Utah has met "first use" requirements of Section 602(b)(5).

SRF funds will be distributed using the method, criteria and eligible activities described in Section R-317-101 & 102 of the Utah Administrative Code. The methods and criteria used are designed to provide assistance which is affordable while providing the maximum benefit to the long-term viability of the fund.

VII. PROPOSED PAYMENT SCHEDULE

If projects listed in the 2003 IUP exceed the amount of estimated funds available during the planning period, some projects which are listed may not be funded, some projects may be funded using available leveraging techniques or some projects may need to be delayed until funds are available. The proposed schedule of payments is included in Table 2.

Table 1 UTAH STATE REVOLVING FUND - INTENDED USE PLAN 2003																
PROJECT IDENTIFICATION			PROJECT SCHEDULE			PROJECT ASSISTANCE						TECHNICAL INFORMATION				
Recipient Name	EPA Project Number	State Project Number	Binding Commit.	Const. Start	Const CP	Type	Assistance Amount	i	Hardship Grant Assmt	Repmt Period	Repmt Date	Type of Project	Need Categ.	FY2003 Priority Ranking	mbe/wbe Reqmts	Discharge Reqmts
<i>Loans Closed - Funds Remaining to be Disbursed:</i>																
Nibley City	C490339	142	Jul-01	Aug-01	May-03	L	6,054,000	0.0%	0.0%	30 yrs*	Feb-04	212	IIIa, IVb	4	yes	n/a
Payson City	C490333	148	Aug-01	Sep-01	Sep-02	L	7,479,000	0.0%	0.0%	20 yrs	Feb-04	212	IVa&b, I	2	yes	UT002427
<i>Loans Authorized - Unclosed</i>																
Parowan City	C490353	216	Mar-03	Apr-03	Jun-04	L	2,058,000	3.0%	0.0%	20 yrs	Jun-05	212	I	11	yes	n/a
Fairview City	C490302	121	Feb-03	Mar-03	Jul-04	L	1,716,000	0.0%	0.0%	30 yrs*	Jul-05	212	IVa&b, I	7	yes	n/a
Mountain Green SID	C490362	223	May-03	May-03	Feb-04	L	1,055,000	0.0%	2.5%	20 yrs	Jan-05	212	I	12	yes	n/a
Bear Lake South Shore	C490312	220	Jul-02	Jul-02	Dec-03	L	2,230,000	0.0%	0.0%	20 yrs	Nov-04	212	IVa&b, I	10	no	n/a
Daggett County	C490370	155	Jul-02	Jul-02	Dec-03	L	323,000	0.0%	0.0%	20 yrs	Nov-04	212	I	8	no	n/a
Monroe City	C490361	224	May-03	May-03	Oct-04	L	1,950,000	0.0%	0.0%	30yrs*	Oct-05	212	IVa&b	14	yes	n/a
South Sevier SSD	C490363	137	May-03	May-03	Oct-04	L	2,920,000	0.0%	0.0%	30yrs*	Oct-05	212	IVa&b	15	yes	n/a
Oakley Town	C490360	221	Jun-02	Jul-02	Sep-03	L	400,000	0.0%	0.0%	20 yrs	Sep-04	212	I	9	no	UT0020061
South Salt Lake City	C490369	202	Jun-02	Jun-02	Jun-02	L	1,200,000	0.0%	0.0%	20 yrs	Jun-03	212	I	20	no	UT0024392
<i>Planned - Unauthorized Projects</i>																
Hooper City	C490359	136	Jun-03	Jul-03	Jan-06	L	13,000,000	0.0%	0.0%	30yrs*	Jan-07	212	Iva,Ivb&I	1	yes	n/a
Weber County	C490371	205	Jul-02	Jul-02	Dec-02	L	140,000	0.0%	0.0%	20 yrs	Dec-03	212	Ivb	16	no	n/a
St George City	C490364	141	Dec-02	Jan-03	Sep-03	L	6,500,000	4.0%	0.0%	20 yrs	Sep-04	212	I	19	yes	UT0024686
North Fork SSD	C490365	200	Jun-03	Jul-03	Dec-03	L	1,500,000	0.0%	4.0%	20 yrs	Dec-04	212	I	17	no	n/a
Wolf Creek SSD	C490366	201	Jun-03	Jul-03	Dec-03	L	1,500,000	0.0%	4.0%	20 yrs	Dec-04	212	I	6	no	n/a
Orem City	C490367	147	Aug-03	Aug-03	Nov-04	L	5,000,000	4.0%	0.0%	20 yrs	Nov-05	212	I	13	yes	UT0020915
Hyrum City	C490368	149	Aug-03	Aug-03	Nov-04	L	6,000,000	4.0%	0.0%	20 yrs	Nov-05	212	I	3	yes	UT0023205
Elk Meadows SSD	C490344	203	Jun-03	Jul-03	Dec-03	L	1,500,000	0.0%	4.0%	20 yrs	Dec-04	212	I	18	no	n/a
Moroni City	C490372	150	Aug-02	Aug-02	Dec-03	L	1,200,000	0.0%	4.0%	20 yrs	Dec-04	212	I	5	yes	UT0020222

TABLE 2		UTAH State Revolving Fund						CASH DRAW AND PAYMENT SCHEDULE 2003 (\$ In Thousands)									
Recipient Name	EPA Project Number	State Project Number	Assistance Amount	Funds to Disburse	Binding Commit.	Const. Start	Const CP	SFY 2003 1 Qtr	SFY 2003 2 Qtr	SFY 2003 3 Qtr	SFY 2003 4 Qtr	SFY 2004 1 Qtr	SFY 2004 2 Qtr	SFY 2004 3 Qtr	SFY 2004 4 Qtr	TOTAL	
Loans Closed - Funds Remaining to be Disbursed:																	
Nibley City	C490339	142	6,054,000	2,054,000	Jul-01	Aug-01	May-03	1,000	1,054							2,054	
Payson City	C490333	148	7,479,000	1,979,000	Aug-01	Sep-01	Sep-02	1,979								1,979	
Loans Authorized - Unclosed																	
Parowan City	C490353	216	2,058,000	2,058,000	Mar-03	Apr-03	Jun-04			500	1,000	558				2,058	
Fairview City	C490302	121	1,716,000	1,716,000	Feb-03	Mar-03	Jul-04			250						250	
Mountain Green SID	C490362	223	1,055,000	1,055,000	May-03	May-03	Feb-04				1,055					1,055	
Bear Lake South Shore	C490312	220	2,230,000	2,230,000	Jul-02	Jul-02	Dec-03		1,000	1,230						2,230	
Daggett County	C490370	155	323,000	323,000	Jul-02	Jul-02	Dec-03	323									
Monroe City	C490361	224	1,950,000	1,950,000	May-03	May-03	Jun-05				950	1,000				1,950	
South Sevier SSD	C490363	137	2,920,000	2,920,000	May-03	May-03	Dec-04					2,000	920			2,920	
Oakley Town	C490360	221	400,000	400,000	Jul-02	Aug-02	Sep-03	400								400	
South Salt Lake City	C490369	202	1,200,000	1,200,000	Jul-02	Jul-02	Jul-02	1,200									
Planned - Unauthorized Projects																	
Hooper City	C490359	136	13,000,000	13,000,000	Jun-03	Jul-03	Jan-06					2,500	2,500	3,500	5,000	13,500	
Weber County	C490371	205	140,000	140,000	Jul-02	Jul-02	Dec-02	140									
St George City	C490364	141	6,500,000	6,500,000	Dec-02	Jan-03	Sep-03			4,000	2,500					6,500	
North Fork SSD	C490365	200	1,500,000	1,500,000	Jun-03	Jul-03	Dec-03				1,500					1,500	
Wolf Creek SSD	C490366	201	1,500,000	1,500,000	Jun-03	Jul-03	Dec-03					1,500				1,500	
Orem City	C490367	147	5,000,000	5,000,000	Aug-03	Aug-03	Nov-04						3,000	2,000		5,000	
Hyrum City	C490368	149	6,000,000	6,000,000	Aug-03	Aug-03	Nov-04				4,000		2,000			6,000	
Elk Meadows SSD	C490344	203	1,500,000	1,500,000	Jun-03	Jul-03	Dec-03							1,500		1,500	
Monroe City	C490372	150	1,200,000	1,200,000	Aug-02	Aug-02	Dec-03		1,200								
Administration				1,000,000				125	125	125	125	125	125	125	125	1,000	
TOTAL			15,591,000	55,225,000				5,167	3,379	6,105	11,130	7,683	8,545	7,125	5,125	54,259	
Federal LOC								3,500	2,054	1,409	4,349	125	125	4,349	0	15,911	
SRF Repaymt Fund								967	914	4,414	6,781	7,533	8,395	1,906	5,125	36,036	
State Match								700	411	282	0	25	25	870	0	3,182	

TABLE 2 UTAH WASTEWATER LOAN PROGRAM CASH DRAW AND PAYMENT SCHEDULE 2003 (\$ In Thousands)																
Recipient Name	EPA Project Number	State Project Number	Assistance Amount	Funds to Disburse	Binding Commit.	Const. Start	Const CP	SFY 2003 1 Qtr	SFY 2003 2 Qtr	SFY 2003 3 Qtr	SFY 2003 4 Qtr	SFY 2004 1 Qtr	SFY 2004 2 Qtr	SFY 2004 3 Qtr	SFY 2004 4 Qtr	TOTAL
Loans Closed - Funds Remaining to be Disbursed:																
																0
																0
																0
Loans Authorized - Unclosed																
Fairview City (30)	C490327	816	1,466,000	1,466,000	Feb-02	Mar-02	Jul-03			250	500	466	250			1,466
Administrative Costs								50	50	50	50	50	50	50	50	400
TOTAL			1,466,000	1,466,000				50	50	300	550	516	300	50	50	1,866

WASTEWATER HARDSHIP GRANT PROGRAM CASH DRAW AND PAYMENT SCHEDULE 2003 (\$ In Thousands)																
Recipient Name	Project Number	State Project Number	Assistance Amount	Funds to Disburse	Binding Commit.	Const. Start	Const CP	SFY 2003 1 Qtr	SFY 2003 2 Qtr	SFY 2003 3 Qtr	SFY 2003 4 Qtr	SFY 2004 1 Qtr	SFY 2004 2 Qtr	SFY 2004 3 Qtr	SFY 2004 4 Qtr	TOTAL
Fairview City		C016	1,300,000	1,300,000	Feb-02	Mar-02	Jul-03			1,300						1,300
Monroe City		C018	1,880,000	1,880,000	May-03	May-03	Jun-05				1,880					1,880
South Sevier Co. SSD		C019	1,223,000	1,223,000	May-03	May-03	Dec-04				1,223					1,223
Oakley City		C020	200,000	200,000	Jul-02	Aug-02	Sep-03	200								
TOTAL			3,180,000	3,180,000				200	0	1,300	3,103	0	0	0	0	3,180

RURAL COMMUNITY HARDSHIP GRANT PROGRAM CASH DRAW AND PAYMENT SCHEDULE 2003 (\$ In Thousands)																
Recipient Name	Project Number	State Project Number	Assistance Amount	Funds to Disburse	Binding Commit.	Const. Start	Const CP	SFY 2003 1 Qtr	SFY 2003 2 Qtr	SFY 2003 3 Qtr	SFY 2003 4 Qtr	SFY 2004 1 Qtr	SFY 2004 2 Qtr	SFY 2004 3 Qtr	SFY 2004 4 Qtr	TOTAL
Fairview City	C490302	127	306,000	306,000	Feb-02	Mar-02	Jul-03			306						306
TOTAL			306,000	306,000				0	0	306	0	0	0	0	0	306

CASH FLOW PROJECTIONS

STATE FISCAL YEARS
2003 - 2004

		SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY
		2003	2003	2003	2003	2004	2004	2004	2004
STATE REVOLVING FUND		1 Qtr	2 Qtr	3 Qtr	4 qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr
	Beginning Balance	21,749	23,376	20,408	27,695	16,820	8,008	(302)	7,124
	Remaining Letter of Credit Draws	248							
	State Match	700	411	282	0	25	25	870	0
	EPA Capitalization Grants	6,995		4,530				4,530	
	Repayments			8,288				9,052	
	Reserve for Non Point Source	(1,200)				(1,200)			
	Reserve for On Site Disposal	(300)				(300)			
	Earnings on Balance	351	0	292	255	346	210	100	(4)
	Planned Loans	(5,167)	(3,379)	(6,105)	(11,130)	(7,683)	(8,545)	(7,125)	(5,125)
	BALANCE IN SRF FUND	23,376	20,408	27,695	16,820	8,008	(302)	7,124	1,996

Beginning Balance	500	1,881	2,069	4,303	4,431	4,696	5,679	8,383
State Match	(700)	(411)	(282)	0	(25)	(25)	(870)	0
Earnings on Balances	6	24	26	54	55	59	71	105
Repayments			2,164				2,302	
Transfer from Hardship Grant Fd	2,000		0	0				
Reserve for Storm Water Projects	(500)				(500)			
Planned Loans	(50)	(50)	(300)	(550)	(516)	(300)	(50)	(50)
Sales Tax Revenue	625	625	625	625	1,250	1,250	1,250	1,250
BALANCE IN UWLP FUND	1,881	2,069	4,303	4,431	4,696	5,679	8,383	9,688

	Beginning Balance	6,367	4,167	4,167	3,426	323	323	323	839
	Planned Grants	(200)	0	(1,300)	(3,103)	0	0	0	0
	Transfer to UWLP	(2,000)		0	0		0	0	
	Interest from SEA & Earnings			559				516	
	BALANCE IN Hardship Grant FUND	4,167	4,167	3,426	323	323	323	839	839

<div> Hardship Assessment Subfund of Hardship Grant Fund (SRF) </div>	Beginning Balance	3,275	3,275	3,275	4,989	4,989	4,989	4,989	6,610
	Planned Grants	0		0	0				
	Hardship Grant Assessments			1,714				1,621	
	BALANCE IN Hardship Grant FUND	3,275	3,275	4,989	4,989	4,989	4,989	6,610	6,610

	Beginning Balance	0	0	0	0	0	0	0	0
	EPA Grant Awards	0	0	291	0	0	0	0	0
	State Match	0		15					
	Planned Grants	0	0	(306)	0	0	0	0	0
	BALANCE IN Rural Community Grant FUND	0	0	0	0	0	0	0	0